



State of Vermont

Department of Vermont Health Access

Office of the Commissioner

280 State Drive, NOB 1 South

Waterbury, VT 05671-1010

<http://dvha.vermont.gov>

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Agency of Human Services

TO: The Vermont General Assembly

FROM: Cory Gustafson, Commissioner

DATE: April 27th, 2020

Immediately following the President of the United States declaring a National Emergency and the Secretary of the United States Department of Health and Human Services subsequently invoking authority to waive or modify certain requirements of section 1135 of the Social Security Act to mitigate the consequences of the COVID-19 pandemic, Department of Vermont Health Access staff began working to implement flexibilities in the administration of the Vermont Medicaid program in order to facilitate enrollment into initial or preservation of continuous health care coverage. Vermont Medicaid implemented crucial strategies to respond swiftly to the State of Emergency produced by COVID-19 in order to assure access to health care services for Vermont Medicaid members and enable Medicaid-enrolled providers to effectively respond to the State of Emergency produced by COVID-19, including establishing a process for providing immediate financial assistance for providers experiencing financial hardship as a result of the Emergency as of March 27, 2020,¹ and by having fixed, prospective payments established (implemented under ongoing health care payment and delivery system reform efforts) for entities participating with the Accountable Care Organization, OneCare Vermont, and for designated agencies/specialized service agencies providing adult and children's mental health services through the Agency of Human Services that provide a secure source of funds during this time.² Finally, Vermont Medicaid's continuing coverage for telemedicine and temporary new coverage for medically necessary and clinically appropriate services delivered by telephone during the Emergency provided another mechanism to support providers in delivering, and being reimbursed for, health care services during this unprecedented public health crisis.³

¹ <https://dvha.vermont.gov/covid-19>; Phase I opened 3/27/2020 and closed 4/21/2020; Phase II opened 4/27/2020.

² In order to address provider administrative burden during the Emergency, the Department's Program Integrity unit has suspended requests for documentation in case reviews and the Department's Oversight and Monitoring unit is acting in alignment with notification from the Centers for Medicare and Medicaid Services (CMS) regarding the Payment Error Rate Measurement (PERM) program, including that CMS is suspending all improper payment-related engagement/communication or data requests to providers and state agencies until further notice (e.g. calls and communications regarding existing PERM correction action plans).

³ https://dvha.vermont.gov/sites/dvha/files/documents/News/Vermont%20Medicaid%20Telehealth%20Telemedicine_Telephonic%20Emergency%20Response%20to%20COVID-19.pdf & <https://dvha.vermont.gov/sites/dvha/files/documents/News/DVHA%20Memo%20Provider%20Guidance%20in%20Response%20to%20COVID-19%20FINAL%20Updated%2004.23.20.pdf> & https://dvha.vermont.gov/sites/dvha/files/documents/News/DVHA%20Telemedicine%20%26%20Emergency%20Telephonic%20Coverage_Dental%20Providers%2004.10.2020.pdf



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VERMONT MEDICAID: RESPONSE TO THE EMERGENCY PRODUCED BY COVID-19

Facilitating enrollment into initial and preserving continuous health coverage for Vermonters during the unprecedented public health crisis produced by COVID-19, implemented on March 20, 2020, effective immediately.

The State of Vermont is temporarily waiving financial verifications required for those seeking to enroll in health insurance, extending out coverage periods until after the Emergency ends (meaning that the State of Vermont is not processing annual “reviews” that could result in loss of Medicaid), and suspending certain terminations of health insurance (meaning that the State will not be ending Medicaid coverage during the Emergency unless the member requests it) in order to preserve continuous health care coverage during the Emergency.⁴ The State of Vermont is offering a Special Enrollment period for Vermonters who do not currently have health insurance to enroll in a qualified health plan and receive premium and cost-sharing assistance if eligible; this Special Enrollment Period is open through May 15, 2020. **Importantly, for Medicaid, eligible Vermonters can continue to apply for and enroll in Medicaid at any time.** This has always been in effect. Medicaid eligibility appeals will generally not be resolved until after the Emergency provided the appealing member has continuing benefits.⁵ All of these flexibilities are applicable to long-term care (LTC) as well as community Medicaid. Additionally, Vermont Medicaid will be temporarily waiving Dr. Dynasaur premium obligations during the Emergency to facilitate initial and continuous coverage, beginning with the bills that are mailed in April 2020 for premiums due for May 2020.

Eliminated Cost-Sharing for Testing and Treatment for COVID-19 for Vermont Medicaid members, implemented on March 31, 2020, effective retroactively to March 1, 2020.⁶

Prior to the Emergency, Vermont Medicaid required cost-sharing for outpatient hospital services, some dental services, and for prescriptions. On March 19, 2020, Vermont Medicaid waived all co-payments for outpatient hospital services to ensure that any co-payments related to testing and/or treatment for the novel coronavirus and COVID-19 would be waived. This policy change was effective retroactively to March 1, 2020. Additionally, effective for March 1, 2020, Vermont Medicaid waived co-payments for medications that may be used to treat the symptoms of COVID-19, including antihistamines, cough suppressants, anti-febrile/analgesic medications, cough and cold combination products, inhalers,

⁴ <https://dvha.vermont.gov/covid-19>

⁵ <https://ago.vermont.gov/blog/2020/03/19/attorney-general-donovan-to-postpone-government-benefits-cases-in-light-of-covid-19-crisis/>

⁶ <https://dvha.vermont.gov/sites/dvha/files/documents/News/Vermont%20Medicaid%20Waives%20Hospital%20Outpatient%20Copayments.pdf>



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etc. and as of March 31, Vermont Medicaid amended its pharmacy practices to ensure that pharmacists are not required to obtain a signature for a prescription receipt or delivery.⁷

Submitted its Section 1135 Waiver Request to CMS on March 23, 2020 in order to address issues and challenges for health care system delivery in all counties of Vermont as a result of the COVID-19 pandemic, including:⁸

- 1). Temporarily suspend Medicaid fee-for-service prior authorization requirements for imaging, DME Supplies (except imminent harm codes), Dental, and Orthodontia;
- 2). Extend pre-existing authorizations certain clinical services for which a Medicaid member has previously received prior authorization, but expiring in April, for an additional six months;
- 3). Suspend pre-admission screening and annual resident review Level 1 and Level II assessments for 30 days (e.g. all new admissions can be treated like exempted hospital discharges with new admissions for mental illness or intellectual disability receiving a resident review as soon as resources are made available after the 30 days);
- 4). Temporarily delay scheduling of Medicaid fair hearings and issuing fair hearing decisions during the Emergency (CMS approved enrollees to have more than 90 days, up to an additional 120 days, for an eligibility or fee for service appeal, to request a fair hearing and modification of the timeline for resolving appeals).
- 5). Provision of Services in Alternative Settings: allows facilities, such as nursing facilities, intermediate care facilities for individuals with intellectual and developmental disabilities, psychiatric residential treatment facilities, etc. to be fully reimbursed for services rendered to an unlicensed facility during the Emergency due to an emergency evacuation or other need to relocate residents where the placing facility continues to render services.
- 6.) Reporting and Oversight:
 - Modify deadlines for OASIS and Minimum Data Sets (MDS) assessments and transmission.
 - Suspend 2-week aide supervision requirements by a registered nurse for home health agencies.
 - Suspend supervision of hospice aides by a registered nurse ever 14 days' requirement for hospice agencies.
- 7). Provider Enrollment (see next row).

⁷ <https://dvha.vermont.gov/sites/dvha/files/documents/COVID19%20UPDATE.pdf>

⁸ <https://www.medicaid.gov/state-resource-center/disaster-response-toolkit/federal-disaster-resources/entry/54091>



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Submitted its Section 1135 Waiver Request on March 23, 2020 in order to address issues and challenges for health care system delivery in all counties of Vermont as a result of the COVID-19 pandemic, including: ⁹

Provider Enrollment:

- authorization to provisionally, temporarily enroll out-of-state providers who are enrolled with another State Medicaid Agency or Medicare but are not licensed, certified, or registered in Vermont for the duration of the Public Health Emergency and so long as the provider's services are offered to a patient located in Vermont (using telehealth or as part of staff at a licensed facility)
- reimbursement of otherwise payable claims from out-of-state providers not enrolled in Vermont Medicaid, pursuant to established criteria being met, during the duration of the Emergency.
- waive certain screening requirements to support temporary provider enrollment for the duration of the Emergency.
- cease revalidation of providers who are located in-state or otherwise directly impacted by the Emergency.

Already provided coverage for medically necessary and clinically appropriate services delivered through telemedicine at the same reimbursement rate as if the service was provided face-to-face prior to the Emergency^{10,11,12} and implemented temporary coverage and reimbursement of medically necessary and clinically appropriate services delivered by telephone or other telecommunications device, including reimbursement for brief technology-based consultations (e.g. 'virtual check-in') via telephone or other communications device and remote evaluation of a recorded image/video to determine whether an office visit or other service is needed in response to the Emergency on March 23, 2020, effective for a date-of-service of March 13, 2020. Vermont Medicaid's telemedicine coverage includes services provided by licensed mental health clinicians and other providers enrolled with Vermont Medicaid.

Implemented Phase I of the COVID-19-specific Medicaid Retainer program on March 27, 2020 to provide immediate cash flow assistance to providers experiencing near-term financial hardship as a result of COVID-19 as a result of the State's commitment to support the financial stability of the health care system using State funds. Through this program, the State of Vermont has already received, reviewed, and approved applications and payments for 46 provider entities across the State totaling \$2,061,368.87 million dollars as of April 24, 2020. Provider types include primary care (e.g. family medicine, pediatrics, naturopathic), specialty, dental, optometry, home health, residential

⁹ <https://www.medicaid.gov/state-resource-center/disaster-response-toolkit/federal-disaster-resources/entry/54091>

¹⁰ <https://dvha.vermont.gov/sites/dvha/files/documents/News/Vermont%20Medicaid%20Telehealth%20Telemedicine%20Telephonic%20Emergency%20Response%20to%20COVID-19.pdf>

¹¹ <https://dvha.vermont.gov/sites/dvha/files/documents/News/Vermont%20Medicaid%20Telehealth%20Telemedicine%20Telephonic%20Emergency%20Response%20to%20COVID-19.pdf>

¹² <https://dvha.vermont.gov/sites/dvha/files/documents/News/FAQ%20Telephonic%20Services%20COVID-19%20Emergency%20FINAL%20004.23.20.pdf>



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care, assisted living, adult day, memory care, physical therapy/rehabilitation, mental health and substance use disorder treatment providers and ambulance agencies from Bennington, Brattleboro, Burlington, Castleton, Chelsea, Fair Haven, Hydeville, Johnson, Middlebury, Montpelier, Newbury, Newport, Randolph, Richmond, Royalton, Rutland, Shelburne, Springfield, South Burlington, St. Albans, Stowe, Wallingford, Waterbury, Williston, & Wilmington. Applications for Phase I were due by April 21, 2020. The final applications received are being reviewed during the week of April 27, 2020; it is anticipated that additional financial support will likely be issued as a result.

For Phase II, the State developed the [COVID-19-specific Sustained Monthly Retainer](#) which is an optional, temporary payment model for Vermont Medicaid providers that combines fee-for-service reimbursement with prospective monthly payments in order to assure access to care for Vermont Medicaid members by providing funding that may be used flexibly to respond to COVID-19-related expenses and deliver services through alternative modes. The intent is to offer providers more certainty about cash flow and the ability to use the funds to respond to changing COVID-19 circumstances. **The COVID-19-specific Sustained Monthly Retainer was implemented on April 27, 2020.**¹³

As of April 3, 2020, implemented an expansion of the situations under which nursing facilities may apply for Extraordinary Financial Relief (EFR) in response to the Emergency produced by COVID-19 (effective for April 1, 2020).¹⁴ Nursing facilities incurring costs or enduring hardships related to the Emergency are eligible to apply; nursing facilities do not need to be facing immediate danger or failure.

As of April 3, 2020, implemented a temporary rate restructure for the per diem rate for all Private Non-Medical Institutions (PNMIs) in response to the Emergency produced by COVID-19 (effective for March 1, 2020).¹⁵ The temporary methodology uses the total allowable costs from the settled base year funding application, divides those costs by 12, arriving at monthly allowable costs. The per diem rate is calculated for the previous month for which census data is submitted, by dividing the monthly allowable costs by the total number of resident days for the month that just ended. PNMI programs may also apply for extraordinary financial relief for COVID-19 related costs.

By March 30, 2020, the Blueprint confirmed for health service areas that payments for Blueprint programs funded through alternative payment models (non-fee-for-service), including Patient Centered Medical Home, Community Health Team, and Spoke programs, will continue and that Patient Centered Medical Home recertification was being postponed to reduce administrative burden during the Emergency. Reviewing DVHA-Blueprint grant agreements with all health service area administrative entities and affirming that payments

¹³ <https://dvha.vermont.gov/covid-19>

¹⁴ <https://dvha.vermont.gov/sites/dvha/files/documents/News/NH%20COVID19%20Relief%20Letter%20FINAL.pdf>

¹⁵ <https://dvha.vermont.gov/sites/dvha/files/documents/News/PNMI%20COVID19%20Relief%20Letter%20FINAL.pdf>



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for their Blueprint-funded staff will continue in order to support COVID-19-related work continuing to occur in communities and that funds may be used to purchase platforms for remote delivery of services.

In the process of implementing policy changes for temporary modifications to home and community-based services to better serve people with disabilities and serious chronic conditions during the COVID-19 pandemic, including more flexibility in paying family caregivers (i.e. direct care workers residing in the home).

- 1). Temporarily permitting parents, spouses, guardians, etc. to receive payments for direct care services in the same manner as other service providers for the Choices for Care, Traumatic Brain Injury, and Attendant Services programs;
- 2). The Developmental Disabilities Services Home and Community-based Services (HCBS) program will allow conversion of unused respite and/or other family-managed funds into a one-time family stipend for parents who are providing full-time care as a result of the consistent loss of typical hourly or daily services (e.g. from inability of respite providers or support workers to enter a home or worker unavailability due to the State of Emergency produced by COVID-19).

Continuing to provide assistance for Medicaid members who need medical supplies, continence products and specialty food products based on medical necessity. Many of the suppliers of these products offered home delivery services prior to the COVID-19 pandemic and are continuing to do so during this Emergency period.

The State of Vermont is electing to provide Medicaid coverage for uninsured individuals of FDA-approved testing needed to detect or diagnose COVID-19, the administration of that testing and other testing-related services. The State is working diligently to implement this optional new coverage; the State is currently waiting for CMS approval. In order to be eligible under the new uninsured category, an applicant must meet the usual Medicaid immigration/citizenship requirements. IT system functionality in ACCESS and MMIS are required.

Specific to Vermont's efforts to provide coverage for uninsured individuals of FDA-approved testing needed to detect or diagnose COVID-19, the administration of that testing, and associated medical visit.

- a. Under Families First, Vermont is electing this as optional coverage group, however Families First does not cover the costs of treatment if someone does have COVID-19.



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VT has sought 1115 expenditure authority to extend coverage of uninsured individuals to include COVID-related treatment; however, CMS has informed Vermont that this will not be allowed due to providing funding available through Families First to address uninsured treatment.

CMS is requiring additional Transformed Medicaid Statistical Information System (T-MSIS) data elements (the State is experiencing challenges due to data & resource availability). The Emergency produced by COVID-19 has further impacted the Medicaid Management Information System projects as follows:

- Payment Reform for Disability Services is on hold;
- Payment Reform for Mental Health: support is being provided for provider submission of additional data;
- Transitional Housing with the Dept. of Corrections is on hold;
- The High-Technology Nursing project has slowed due to resource constraints;
- Electronic Visit Verification is experiencing challenges with providers having time to commit to the project and dates are being adjusted;
- Replacement of On-Demand with On-Base is delayed by 6 months;
- Automation of Payer Integrated Eligibility is delayed by 2 months (work with MVP and Cigna was ongoing but insurers are experiencing resource challenges as they commit more resources to the Emergency response);
- Anticipating a several month delay in the Electronic Data Interchange Translator replacement (impact still being assessed).

Integrated Eligibility and Enrollment Program - Projects have been impacted by the Emergency, as follows:

- Compliance with federal regulations for Medicaid for the Aged, Blind and Disabled work continues but implementation of new processes is on hold;
- The work required to enhance the customer portal and user experience will continue as resources allow so that the customer log-in (authentication), the online application for the Medicaid for the Aged, Blind, and Disabled population (initial product developed but further testing is required), remote identity proofing (security for after a customer has logged in to confirm their identity), and development of the landing page to take customers to the benefits page, document uploader, and/or long-term care, etc. work is planned to continue but may be delayed.
- The procurement for the Integration Partner will likely be handled by a technical assistance vendor in order to support staff capacity during the Emergency response;
- Premium Processing has been extended by 1 year.